



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

WHOLESALE TERMINAL MARKETS IN GERMANY AND THEIR EFFECT ON FOOD COSTS AND CONSERVATION

BY STADTRAT D. LEVIN,

Member of the Magistrate, Frankfurt, Germany.

Scope of the Markets

The providing of provisions for the city dweller has always been a matter of great importance in the politic economy of city life. Formerly cities were almost entirely limited to the products of the surrounding country, and when there was a bad harvest in this district, cities were in danger of a shortage of provisions. This danger does not exist any longer, since now, through the very great development of trade and the means of communication in place of production nearby, they can draw upon the world production. Variations in price are of course inevitable even today. The concentration of population in cities in the last decades has greatly increased and makes great demands upon the facilities for supplying provisions. The cities must give so much the greater attention to this question, the greater their population is. Nevertheless the care of the city officials cannot go so far as to undertake themselves the furnishing of provisions or separate branches of this work and become producers or traders. In the measures against the increase in the price of meat that were entered into in Prussia in the last few years, by the cities with the coöperation of the government, this question played an important part, and there was no lack of advocates of the policy of furnishing meat by the city governments themselves. The German "City Day," at which time delegates from the various cities meet as representatives of the various German city governments, took the position that the supplying of provisions to the people could not be the task of the cities, and that it was certainly more a matter of trade and business. This point of view seems justified since we might as well require cities to provide any other article that had risen in price, as for instance by building houses or providing clothing or coal or other similar necessities as to enter upon the business of furnishing provisions. Never-

theless without question the cities must provide and find means to secure the supply of provisions in regular ways. The welfare of city populations demands such activities as the supplying of slaughter houses, cattle yards and markets. This is the subject of my article.

Legal Regulation of Markets

Markets in Germany are subject to legal regulation under Tit. IV of the "Reichsgewerbeordnung" which provides essentially as follows:

The use of markets as well as buying and selling in them is open to everyone with equal facilities. Articles of sale at the weekly markets are:

1. Natural products in their raw state with the exception of the larger animals.

2. Manufactured articles which are products in immediate connection of agriculture, forestry, gardening, fruit-raising or fish culture, or as incidental occupations of the country people of the neighborhood or by daily wage-laborers, except intoxicating drinks.

3. Fresh provisions of all sorts.

4. Fees can be demanded only for the room required and the use of booths and tools. No difference can be made in the fees charged residents and strangers. The local police fix in agreement with the local government the market rules in accordance with local requirements and especially fix the place where articles of different sorts are each to be sold.

5. The introduction of weekly markets in Germany requires the permission of the authorities. The place and time for the weekly markets are fixed by the market ordinance. Without the permission of the proper authorities the market cannot be held in any other place than that provided in the market ordinance. This ordinance contains the provisions necessary to enforce quiet and order at the market.

Tariff for Fees and Rents

The stalls are given out daily anew or granted for a longer period, generally upon monthly notice. The cooling rooms, refrigerators and other storage rooms are as a rule granted by the month or the year. They are however as a general thing also to be had by the day. The fees and rents for stands and rooms for a considerable time are generally less than for a shorter use. Very often the tariffs for the stands are graded for other reasons, as for instance according to the position and the furnishing of the stands, according to the article sold, the time of the year and the day of the week.

Open and Closed Markets

In most cities the market is held in an open square. The market place in that case is called an "open market" as distinguished from a "closed market" in the market-hall. Generally there are no special provisions and furnishings for open markets. Often the sellers sit under large umbrellas in order to protect themselves and their ware against sun and rain. If special fittings are provided they consist of stands upon which the wares are placed and roofed booths or sheds of wood. Comparatively few cities in Germany have market-halls. In small and medium-sized cities the market is held one, two or more days a week; in the larger cities it occurs daily.

Producers and Traders

In the smaller and medium-sized cities the sellers even today still are chiefly producers from the neighborhood; but in the larger cities this is no longer so. Here generally the producers in the neighborhood of the cities cannot keep up with the growth of demand caused by the increase of population, especially as increased building deprives the local producer more and more of his land. As a general thing it does not pay the producers of the less immediate neighborhood to attend the market personally, and so arise middlemen, who buy the products in the country and offer them on the market. Out of this trade of the middlemen little by little a wholesale business has arisen, which has been extended to the entire country and foreign lands, for provisioning the larger cities has become of more and more importance, even an essential factor. Therefore there will be found at the large markets middlemen and wholesalers as well as producers.

The development of wholesale business has favored a specialization in the cultivation of products, so that entire fields, specially suited thereto, by the climate or the nature of the soil are planted with fruit; and there has also occurred a more extensive use of the cultivated land. For this reason Frankfurt a/M. and Schwetzingen are known for their asparagus, Bamberg and Gross-Gerau for their horseradish, places in the Taunus for their strawberries.

Forwarding Centers

The markets in the larger cities often provide not only for their own population, but are also forwarding centers for the cities in their

neighborhood whose markets they supply with wares. Such forwarding centers are scattered over all Germany. Here and there the markets have grown to have such an exceptional importance that on account of their position they have become chief storage and exchange places for special articles and send these articles to all parts of the interior. Hamburg is such a center for oversea articles, Munich for wares from south European lands.

Market-halls

It is clear that the open market is little suited to wholesale business. With the umbrellas, stands and booths, the peasant costumes of sellers and buyers, the open market indeed affords in good weather a picture of peculiar charm. Its shortcomings are, however, equally clear. Buyers and sellers are exposed to the weather, their articles suffer from the effects of rain, sun and frost. They must be taken away at night; the dust of the street covers them and is especially unhealthy for such of them as cannot be washed; storage room for any considerable supply is lacking. Upon such a basis a rational provision for the needs of a great city that is dependent on wholesaling cannot develop. For this market-halls are necessary, halls that in general supply the following requirements.

One of the most important requisites of a wholesale market is railroad facilities in the immediate neighborhood. The tracks whenever possible should be so situated that goods can be unloaded immediately and without elevators into the halls, and not in such a way that the tracks are a story or more above and the transfer between the rail and the hall has to be supplied through elevators. The sufficient capacity of railroad facilities is of a special importance, as otherwise the goods cannot be unloaded and brought to the market at the right time, which might cause disturbances in the supply and an unfavorable influence upon prices. If water connection is at hand it is advisable so to choose the situation, that ships can be moored in the neighborhood of the market-hall, and the goods unloaded without great expense.

Room to take care of wagons is a matter of a good deal of importance. These spaces must be large enough so that there will be no interference with the increasing traffic coming to and leaving the market, which would hinder the development of the market. It is

of service to provide special space round the hall to take care of the wagons so that the street used for general traffic may not be burdened with their presence. The best form for a larger market-hall is a long oblong as it furnishes larger spaces for taking care of the wagons and for spurtracks, and renders loading and unloading much easier. Care must therefore be taken that the whole plant and grounds, the hall, the spurtracks and the provision for wagons, may keep up with the development of the traffic. It is therefore wise from the beginning to look out for abundance of land for enlargement, as with the constant growth of cities, the acquiring of land for enlargement or the erection of a market elsewhere involves disproportionally high cost.

It is of importance that large enough cellars for cooling, refrigerating, heating and storage are at hand, without which wholesaling cannot be carried on. Here too provision must be made for future enlargement. A central position is not as necessary for a hall used by wholesalers as for a weekly market as the wholesale market is chiefly resorted to by those who buy to sell again.

In order to better utilize the land market-halls may be provided with galleries. As a general thing galleries are little liked by buyers and sellers, and are to be recommended for the most part only for retail trade.

Chief and Subsidiary Markets

In the large cities there are sometimes several market-halls or markets; as a rule, however, there is only one chief market-hall, in which the wholesale business develops exclusively or chiefly, and then district or subsidiary markets, that chiefly serve for retail selling. A strong tendency towards centralization has been noticed almost universally in these cities, as has a tendency for the market for wholesaling to grow greatly, while the district and subsidiary markets lag behind. What is the cause of this? It is the nature of markets to regulate prices by supply and demand. But supply and demand are only to be found where products flow together—that is in the chief market and not in the district and subsidiary markets that provide themselves with goods mostly from the chief market, and as a rule are nothing but retail trading places like stores in the city. From this point of view it seems wrong to separate the wholesaler and the producer, and to locate the wholesaler in the chief market-hall while the producers are provided for in a subsidiary market. Both groups

provide the supply and therefore belong together in the chief market. The mistake of separating the two groups was made not long ago in a city, where a chief market-hall was opened, and the great difficulties that arose from this did not disappear until the producers and the wholesalers were again united in the chief market-hall.

Retail Selling Outside the Market-hall

Another reason for the lagging behind of the district and subsidiary markets is that retail selling has a tendency more and more to leave the market-halls for the stores. These stores are either simple fruit and vegetable shops or grocers that carry fruit and vegetables as a side line. As a rule they supply themselves daily at the chief market-hall with fresh wares. As they buy in large quantities they know how to buy, and their selling prices are mostly not at all or not greatly higher than the retail selling prices in the market. They offer the woman of the house the advantage of being able to attend to her purchases in the immediate neighborhood of her home, so that she is not obliged to make any particular preparations, to waste much time or pay street car fare. As they buy regularly in the stores they obtain credit and are served well and in a friendly way. All these circumstances have contributed to the result, that these stores in spite of many an incidental disadvantage, such as less choice and a lack of hygiene, have greatly increased and have won importance for the distribution of provisions. Warehouses also with their great traffic have very often taken up the sale of market goods, and thus contribute to the falling behind of retail business in the market-halls. In many cities the street sale of market goods plays an important part. This consists mostly in the business of sellers who buy at cheap price the superfluity from the wholesale business, and the next morning sell it at low price from wagon and push-cart, preferably in the neighborhood of the less wealthy. In Berlin the street trade plays an important part in the sustenance of the economically weaker part of the population. In many places, however, it is forbidden since it injures retail business in the market.

All these circumstances have brought it about, that retail sales in the market-halls have constantly gone back, and that the district and subsidiary markets are losing importance.

Market Conditions in Various Cities

In the more important cities the market conditions are as follows:

In Berlin there are in the middle of the city on Alexanderplatz two market-halls (I and Ia) situated side by side with galleries and spur-tracks, which are situated at the height of the galleries. Hall I was built in 1886 and hall Ia in 1893. In hall I there is only wholesaling, in hall Ia both wholesale and retail business. In addition to the two central market-halls there were erected between 1886 and 1893, thirteen district market-halls for distribution, in which for the most part only retail sales took place. Of these thirteen district market-halls on account of insufficient rentability, and in spite of the lowering of fees and other measures for the increase of business, four halls one after the other had to be closed. On the other hand business in the central market-halls has so tremendously increased that these halls and especially the spurtrack connection are no longer sufficient to keep pace with the business. Therefore the enlargement of the wholesale market has been planned for years, but no final steps have been reached as the finding of a situation was a matter of great difficulty.

Dresden has a chief market-hall at the Wettiner station of one story with spurconnection, cooling and refrigerating rooms, also two district market-halls with galleries, one in the busy old city, on the Antonsplatz, where before the erection of the market-hall there was already a lively open market, and another in the crowded new city on the right bank of the Elbe. The wholesale market-hall at the Wettiner station was erected in 1895 for wholesale business, but after two years small trading was also allowed. Business in this hall meanwhile has so increased that in the summer months the surrounding streets and squares must also be used for this purpose. Rail connection only a few years after it was opened was found to be insufficient and was enlarged last year by the use of a nearby square that up to that time had been used as a public garden. Business in the two district market-halls has greatly decreased. The district market-hall in the new city, in spite of the lessening of fees, is now hardly half filled. The gallery is used for flowers, rabbits and other exhibitions.

Cologne-on-the-Rhine has a chief market-hall with galleries, spurtracks, cooling and refrigerating facilities in the old city; about a thousand yards distant from it a retail hall in the Severinstrasse and several open markets. The chief market-hall, opened in 1904, is

situated very near the former open market-place and is separated from the shore of the Rhine by only a row of houses. The hall is in the first place intended for wholesaling, but at the same time serves for retailing. It has both connection with the mountain-narrow-gauge-road and also with the state railroad. The district market-hall, in existence since 1886 on Severinstrasse, serves entirely for retailing, and since the erection of the chief market-hall has decidedly lost importance. Some of the open markets have a lively business, which is explained by the fact, that, with the exception of the markets in Cologne-Lindenthal, and Cologne-Nippes, they have long existed and in those quarters of the city have checked the extension of the business of the stores.

In Leipzig there exists only one market-hall in the center of the city, with galleries, cooling and refrigerating facilities, but without rail connection. The lack of a spurtrack is found to be a great disadvantage. The erection of a market-hall with spurtrack has again and again been the subject of discussion.

In Munich there was opened near the Süd-Bahnhof in the beginning of 1912 a wholesale market-hall of one story with spurtracks, cooling and refrigerating facilities. Up to that time the entire market had developed on the Viktualienmarkt, and the wholesaling in the Schrennhallen, situated near the Viktualienmarkt, which before that time had served for the grain trade. When the new wholesale hall was first opened, but a part of the producers were accepted; the acceptance of the other producers following later on. Upon the Viktualienmarkt only retail trade remains.

Breslau has two market-halls with galleries, cooling and refrigerating facilities. Both started business in the year 1908. One is on the Ritterplatz, the other on the Friedrichstrasse. Upon the opening of these two halls, the two open markets that had existed up to that time were closed. The erection of a hall with spurtracks was for the time left out of consideration, since the goods on the weekly markets came almost entirely from the immediate neighborhood by wagon to the city, and it was considered of importance that the market-halls should be situated as much as possible in the midst of the busiest part of the city.

In Hamburg, in place of the markets on the Messberg and on the Hopfenmarkt, there was erected in the year 1912 a single and centralized market near the Deichtor immediately on the upper harbor.

Hamburg differs from the rest of the German cities to this extent, that there the market arrangements consist of a specially constructed large square, that is divided by the Deichtorstrasse into two squares. A part of these two squares is constructed with cellars, and there is also upon each of them a hall. Nevertheless the larger part of the business of the market is done under the open sky. The spurtrack lies high, so that all shipments by rail must be transferred by elevator. The casemates under the railroad that is elevated at this point are used for market purposes.

In Frankfort-on-the-Main there is found in the middle of the city on the Hasengasse one of the oldest market-halls in Germany. It was erected on the spot where the old open market-place was, and opened in 1879. It is provided with a gallery running all around it, serves for wholesale and retail business, has neither rail connection nor cooling and refrigerating facilities, and by no means is any longer sufficient for the business, that meanwhile has grown mightily. Little by little therefore three additional temporary halls and an open market-place had to be added. For years the erection of a new market-hall with rail connection, that should serve chiefly for wholesale business, has been under consideration. As in all large cities the question of situation was here one of great difficulty. After exhaustive study of the needs and the experiences of other cities, the following principles for the requirements necessary for the new hall were fixed:

Though as wholesale-hall it need not be situated in the center of the city, yet its situation must be such that it may serve both as a retail market-hall for the neighborhood in which it is erected and for the larger use. It must be sufficiently large for at least the next ten years and be capable of enlargement to such an extent that reasonable provision for the future may be provided. It must have abundant cellars for storage, cooling, refrigerating and warming rooms, all capable of enlargement. It must in addition, have convenient streets and sufficient room for access of wagons and be easily reached on all sides by the street railway. Finally there must be rail connection. It is also desirable that it should lie near the Main, in order that water transport may be of service to it.

On the basis of a thorough memorandum the higher city officials decided in 1912 on the situation in the easterly periphery of the city on the east harbor, immediately on the Main. According to the plan the building is to consist of several separate halls connected with one another by passages and so arranged that the building can be enlarged

at any time by the addition of similar halls. Beside the railroad a special hall for loading and unloading is to be erected into which to bring goods arriving by rail destined for immediate shipment away without burdening the market-hall itself with them. It is connected with the market-hall by a covered street, and can also be used for the market as well as the street itself. Over the storage house are situated the offices of the management and those of the wholesalers. The plans are nearly finished and will soon be laid before the appropriate city authorities for voting the money. The market-hall in the old town is to remain as a storage-hall.

Influence of Markets Upon the Determination of Prices

The influence of the weekly markets, especially of the wholesale markets, upon the determination of prices is many sided. It may be followed up in three directions. Firstly, it is founded upon the market itself in the centralizing of regulation of supply and demand; secondly, in the lessening of expenses; and finally in the protection of the wares against injury and in their preservation.

Facilitating Supply

The more narrowly the market is centralized, the more clearly it is arranged, the easier demand and supply can be inspected. Nothing stands more in the way of a regulated fixing of prices than the splitting up of the markets. Centralization and clear arrangement are therefore of the first importance. Of course provision must be made that the law of supply and demand be effective without hindrance. Therefore it is in the first place necessary that the market should have enough room to take in at any time new producers and traders. Opportunity must also be given lessees of stands to increase their business with increasing needs, which at the same time helps to increase supply. If the hall is too small, there arise around the market-place, as one may see in many cities, private markets that make a general view of supply more difficult and injure the market. A further consequence of lack of space is the danger of the forming of rings among the wholesalers. Through the coming in of new competition the creation of rings is made more difficult. From this point of view the natural contrast between wholesaler and producer is also of weight. Even when trade in the larger markets plays an important and in-

creasing part, nevertheless the producers even today constitute an important factor in the supply of the market and by bringing the two groups together, a ring among the traders is made much more difficult. It is therefore a wise thing to favor as far as possible the producers and also to have regard to their necessities. It must be noticed in this connection that the producers visit the market mostly only during the harvest, in all about five to six months in the year, and that it does not pay for most of them to hire stands and space for the whole year since in this way their wares are made disproportionally dear. It therefore seems wise to keep space ready for them even although from the financial point of view it will be more advantageous to rent the space for the whole year.

Of unusual importance for the regulation of supply and demand are city-selling agents, who should not be lacking in any market of importance. These produce agents are licensed by the market authorities. The conduct of their business is ruled by regulations and guarded by the market authorities. They have wares that come to them from distant, especially from foreign, producers, for whose account they sell them on the market at the best possible price. The charges that are allowed them for their efforts are fixed by the market authorities. They are obliged to give security that their principals are not injured. For their business, bureaus and storerooms are at their service. As a result of all these guarantees the city-selling agents enjoy universal confidence. They tend to regulate supply and demand in that they take care that the market at all times is sufficiently supplied and any gaps in supply filled out. In large markets several city-selling agents are always busy. Thus in the Berlin central market-hall there is a special selling agent for fruit and vegetables, a second for game and poultry, a third for fish. Selling agents do business only as wholesalers, either at private sale or at auction. Special use is made of auctions in case of goods that are in danger of quick injury. The goods secure in this way as a rule, it is true, smaller prices than at private sale, but find quicker sale for cash, so that less loss for spoiled goods occurs and the principal in spite of the cheaper prices, as a general thing, brings the same amount as in private sale. It is clear that the policy of allowing city-selling agents is not agreeable to traders and producers; still nothing remains for them but to do the best they can with the arrangement, which indeed gives them an advantage, in so far as it brings business to the market. It attracts

proprietors of hotels and so forth as well as purchasers from the neighboring cities, who to a large extent also make their other purchases in the market-hall.

The setting up of facilities for the storage of supplies, for instance refrigerating, cooling, warming and storage-cellars also tends towards the regulation of supply, especially as they furnish the possibility of a quick provision, in cases of great concourses of men, like public festivities.

Lessening of Expenses

The lessening of expenses plays an important part in the regulation of prices in the case of market goods as everywhere else. As has been above stated, in accordance with the "Gewerbeordnung," business on the market can in no case be burdened with any other charges except those for payment for the room given up, and the use of booths, tools, etc. In this provision of law there is a certain guarantee that the expenses on the market that must be met by the sellers shall be as small as possible. Of course the charges for stands in the market-halls cannot be so small as on an open market that does not require any special capital. It must be noted that the city authorities do not regard market-halls as undertakings for obtaining the greatest possible profit, but as provisions for the public welfare, and are contented that they pay their own expenses without requiring additional payments. Charges for the use of spurtracks, cooling, refrigerating and other storerooms, as a general thing, are not higher than is necessary to cover cost of the plant, its repairs, interest and repayment of the original capital. In any case the charges that must be paid in public market-halls are considerably less than rents for stores and storerooms in equally good positions in the city. An important part in the lessening of the expenses is played by the spurtracks as the transportation of the provisions is made in this way much cheaper than by their transportation between rail and market-hall by wagon. Of special importance also are the arrangements that make it possible to bring the wares in the quickest and simplest manner to the storerooms, because in that way wages are saved. From this point of view elevators must be so fitted up that an entire car with goods may be loaded upon them, so that they may leave direct from the elevator; also slides, inclined planes or spirals upon which the wares without any further effort slide down into the lower rooms are important.

Preservation of the Goods

That the protection of market goods against injury is of importance in the regulation of prices needs no explanation; since most of these goods are easily injured or spoiled. The less the waste in this way, the less that must be reckoned as part of trade costs in the selling price. The avoiding of transshipment is in itself of importance in the preservation of the goods. From this point of view also it is most expedient that the wares should come in the freight cars immediately in front of the hall, and from there be brought by wheelbarrows to the place of sale, the room where they are unpacked or the storage room. Also the construction of the hall is of importance for the preservation of the wares. A hall of iron with sheet iron roof is little suited for market plant since it does not offer enough protection from heat and cold. Three requirements are to be made in this respect of the building: good ventilation, use of material that keeps out heat and cold, heating arrangements in order to heat the hall in winter sufficiently to prevent the entrance of frost. For the flower trade it is wise to have a special department that is shut off from the remaining part of the hall and is heated independently.

Finally of a special importance for the preservation of the wares are the storage rooms: for fruit, potatoes, cabbages and so forth, cool, well-aired cellars must be provided; easily injured goods like eggs, butter, cheese, meat, fish must have cooling and refrigerating rooms. Bananas require rooms with simple arrangements for heating, in order that they may be slowly or more quickly ripened. For the different articles separate divisions in the cooling and refrigerating rooms are necessary, since the temperature for the best preservation of the goods in the cooling rooms is different for the different articles, and the goods, if stored together, easily acquire the smell one of the other. In recent times cooling and refrigerating rooms are very generally provided with ozone plants that serve for improving the air in these rooms, and for the preservation of the articles stored there.

I have described in a general way the markets in Germany. In America things are different. In the different branches of public and economic life the development causes changes in the provision of supplies from the methods in Germany. Nevertheless the above description will not be without interest for those who are living under American conditions.